

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 1882 – SB 1890

April 4, 2018

SUMMARY OF ORIGINAL BILL: Increases, from 50 to 75 percent, the percentage of quarterly meetings, which a member of Tennessee Athletic Commission (TAC) is required to attend to remain a member.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (014066): Deletes all language after the enacting clause. Requires the Tennessee Athletic Commission (TAC) to authorize international qualifying events for kickboxing to occur in this state as long as the events meet the standards required for such events by the World Association of Kickboxing Organizations (WAKO) or any subsequent entity recognized as the official kickboxing governing body by the International World Games Association (IWGA). Requires the TAC to promulgate rules to effectuate the purposes of the bill as amended; however, such rules must not conflict with the standards required by the WAKO or any subsequent entity recognized as the official kickboxing governing body by the International World Games Association.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On March 5, 2018, a fiscal memorandum was issued estimating the following fiscal impact:

Decrease State Revenue - \$2,500/Tennessee Athletic Commission

Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Tennessee Athletic Commission experienced a surplus of \$493 in FY15-16, a surplus of \$31,509 in FY16-17, and a cumulative reserve balance of \$32,001 on June 30, 2017.

HB 1882 – SB 1890 (CORRECTED)

Based upon additional review of the rules of the Tennessee Athletic Commission (TAC), the rule referenced in the assumptions section of the fiscal memorandum is in error. The assumptions have been corrected to accurately reflect the rules of the TAC. Based upon such additional review, the fiscal impact is estimated as follows:

(CORRECTED)

Decrease State Revenue - \$15,000/Tennessee Athletic Commission

Other Fiscal Impact – Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Tennessee Athletic Commission experienced a surplus of \$493 in FY15-16, a surplus of \$31,509 in FY16-17, and a cumulative reserve balance of \$32,001 on June 30, 2017.

Corrected assumptions for the bill as amended:

- The bill as amended requires the TAC to authorize the kickboxing events described in the legislation.
- Authorizing such events is assumed to prevent the TAC from enforcing the \$300 professional contest fee, pursuant to TAC rule 0145-01-.04(6).
- Based on information provided by the Department of Commerce and Insurance, there were 50 events in 2017 that were held by the organizations exempted by this legislation.
- The recurring decrease in state revenue to the TAC is estimated to be \$15,000 (50 x \$300).
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The TAC experienced a surplus of \$493 in FY15-16, a surplus of \$31,509 in FY16-17, and a cumulative reserve balance of \$32,001 on June 30, 2017.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

(CORRECTED)

Decrease Business Expenditures - \$15,000

Corrected assumptions for the bill as amended:

- This legislation will essentially exempt certain organizations from having to pay the \$300 professional contest fee as currently required pursuant to TAC rule 0145-01-.04(6).
- The recurring decrease in business expenditures is estimated to be \$15,000 applicable to professional fighting organizations.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/jdb